

ATARI® HOME COMPUTERS 1982 COOPERATIVE ADVERTISING PROGRAM

Atari, Inc.'s Cooperative Advertising Program's purpose is to increase retailers' sales of ATARI Home Computers. It can be designed to fit each retailer's specific advertising needs for ATARI Home Computer products. Reimbursement for ATARI Home Computer advertising is made easy by adhering to the following rules:

ALLOWANCE

- 5% accrual based on net cost of purchases to retailers for purchases directly from Atari.
- 4% accrual based on net cost of purchases to retailers for purchases through distributors.
- 100% of actual net cost of advertising up to accrual limit.
- Available to all retailers (even through distributors).

MEDIA

Local, regional or national

- | | |
|--|-------------------------------------|
| <input type="checkbox"/> Newspapers | <input type="checkbox"/> Radio |
| <input type="checkbox"/> Magazines | <input type="checkbox"/> Television |
| <input type="checkbox"/> Consumer Circulars | <input type="checkbox"/> Catalogs |
| <input type="checkbox"/> Outdoor Advertising | |

EFFECTIVE DATES

- Buy-in: January 1 to December 31, 1982.
- Performance Period: January 1, 1982 to February 28, 1983.
- Claim deadline: Each claim is due within 90 days from date of ad. All claims due by April 15, 1983.



HERE'S HOW THE ATARI HOME COMPUTER COOPERATIVE ADVERTISING PROGRAM WORKS

MEDIA REQUIREMENTS

NEWSPAPER, NEWSPAPER INSERT AND MAGAZINE

All advertising must prominently include the ATARI name, logo and illustration(s), the name(s) of the selected ATARI Home Computer products being advertised, all pertinent ATARI trademarks (including ® or ™ symbol), and the name(s) of the retailer(s) where the consumer may purchase the advertised ATARI Home Computer product.

If the advertising is not devoted exclusively to ATARI Home Computer products, Atari will reimburse only for the net cost of the portion of the advertising which is devoted to ATARI Home Computer products. All ATARI Home Computer ads should appear in the main body of the advertising retailer(s) ad.

The net cost of the advertising means the amount actually paid to the media utilized less all discounts, rebates, taxes, cancellation or retraction fees and interest or finance charges.

All newspaper, newspaper insert, or magazine advertisements must be placed in newspapers or magazine publications of general paid circulation in the geographic area served by the advertising retailer(s).

Under no circumstances will the reimbursement made by Atari for newspapers, newspaper insert or magazine advertising exceed the actual cost.

CONSUMER CIRCULAR AND CATALOG

All advertising must prominently include the ATARI name, logo and illustration(s), the name(s) of the selected ATARI Home Computer products being advertised, all pertinent ATARI trademarks (including ® or ™ symbol), and the name(s) of the retailer(s) where the consumer may purchase the advertised ATARI Home Computer product.

If the advertising is not devoted exclusively to ATARI Computer products, Atari will only reimburse for the net cost of the portion of the advertising which is devoted to ATARI Computer products.

The net cost of the advertising means the amount actually paid to the media utilized less all discounts, rebates, taxes, cancellation or retraction fees and interest or finance charges.

Note: Department store seasonal catalogs require prior approval. See your Sales Representative for a participation form.

RADIO AND TELEVISION

All advertising must prominently include the ATARI name, the name(s) of the selected ATARI Computer products being advertised, all pertinent ATARI trademarks (including ® or ™ symbol), and the name(s) of the retailer(s) where the consumer may purchase the advertised ATARI Computer product.

If the advertising is not devoted exclusively to ATARI Computer products, Atari will only reimburse for the net cost of the portion of the advertising which is devoted to ATARI Computer products. *No competitive computer products* may be featured in the same spot with ATARI Computer products.

The ATARI Home Computer product name must be mentioned at least as many times as that of the retailer.

The net cost of the advertising means the amount actually paid to the media utilized less all discounts, rebates, taxes, cancellation or retraction fees and interest or finance charges.

All radio and television advertising must be on commercial broadcasting (AM or FM) or telecasting stations which have published time rates and which are licensed as such by the Federal Communications Commission.

OUTDOOR ADVERTISING

All advertising must prominently include the ATARI name, logo and illustration(s), the name(s) of the selected ATARI Computer products being advertised, all pertinent ATARI trademarks (including ® or ™ symbol), and the name(s) of the retailer where the consumer may purchase the advertised ATARI Computer product.

No competitive computer products may be featured on the same outdoor advertisement with ATARI Computer products.

The net cost of advertising means the amount actually paid to the media utilized less all discounts, rebates, taxes, cancellation or retraction fees and interest or finance charges.

Note: Outdoor advertising should be kept simple and straight to the point. Creative assistance is available through the Atari Advertising Department.

CLAIM REQUIREMENTS

NEWSPAPER, NEWSPAPER INSERT AND MAGAZINE

Each newspaper, newspaper insert, or magazine advertising claim submitted for reimbursement must include:

A complete tear sheet indicating the name of the publication and the date(s) of the advertising.

Copies of all invoices and/or other documents necessary to show the actual net cost of the advertising.

Each newspaper insert (preprint) advertising claim submitted for reimbursement must include:

A complete copy of the insert, the printer's invoice and the newspaper's invoice for the insertion charges. Claims submitted without full documentation will be paid according to Atari's guidelines based on national average costs for similar items.

CONSUMER CIRCULAR AND CATALOGS

Each consumer circular and catalog advertising claim submitted for reimbursement must include:

A complete copy of the circular, including the date(s) the circular was distributed.

Copies of all printers' invoices and other documents necessary to show the actual net cost of the advertising.

Copies of U.S. postal receipts or other proof of distribution.

A signed affidavit by the claimant confirming that the consumer circular was distributed.

A letter certifying the number of catalogs printed will be required when submitting a claim for catalogs.

Note: Department store claims for seasonal catalogs must be submitted with a participation form to qualify for co-op reimbursement.

RADIO AND TELEVISION

Each radio or television advertising claim submitted for reimbursement must include:

A copy of all scripts used on the ANA/RAB or TVB format.

Copies of all invoices necessary to show the actual net cost of the advertising.

An affidavit from the station official which confirms the number of ATARI Home Computer commercials run, the time at which each commercial was run, and the rates charged. *No program sponsorships allowed. Only spot purchases qualify for reimbursement. No trade or barter.*

OUTDOOR ADVERTISING

Each outdoor advertising claim submitted for reimbursement must include:

Copies of all print and production invoices.

Copies of invoices from the outdoor advertising company.

A complete list of all locations, including addresses and photographs.

SPECIAL PROMOTIONS

Atari understands your need for occasional special promotional activity. The cost of any advertising not specified within the other sections of this program will be reimbursed by Atari after a written request for authorization has been approved by Atari. The request for authorization should include a brief description, pictures and/or drawings, and estimated cost.

Any requests for variances from the ATARI Home Computer Co-op Program should be directed to the Home Computer Division Sales Promotion Manager. *No other department or representative of Atari is authorized to approve any deviation from the printed co-op program.*

A copy of the written authorization must be submitted with each claim when reimbursement is requested.

ACCRUAL

Atari will establish two types of advertising accounts for retailers who purchase ATARI Home Computer products (the "products") during the specified buy-in periods:

(1) For purchases by retailers directly from Atari, the advertising account will accrue co-op funds equal to 5% of the actual net cost of the products shipped to the retailer during the buy-in period, and

(2) For purchases by retailers through distributors with whom they have entered into a cooperative arrangement, the advertising account will accrue co-op funds equal to 4% of the actual net cost of the products shipped to the distributor during the buy-in period.

Note: Each retailer may elect to purchase the products directly from Atari or through a distributor or both in order to participate in either or both of these cooperative advertising account programs.

The actual net cost of ATARI Home Computer merchandise means the gross selling price to the *direct purchaser from Atari* less any discounts, rebates, allowances, transportation, installation, handling charges, taxes, cancellations, returns, service charges, payment terms, interest and finance charges.

PERCENTAGE OF PAY

All claims are subject to audit by the Advertising Checking Bureau. Based on A.C.B.'s audit, Atari will reimburse 100% of the audited, actual net cost incurred in advertising ATARI Home Computer products during the advertising period up to, but not to exceed, the balance available in the retailer's Atari Advertising Account.

CLAIM PROCEDURES

All claims must show proof of performance to be processed. A complete co-op advertising claim includes the customer's debit memo, a complete tear sheet, script, complete circular, invoices proving net costs for the media utilized (space or time charges, production costs, distribution costs). All claims should be submitted to:

Atari, Inc.
Home Computer Division
Co-op Advertising Dept.
P.O. Box 427
Sunnyvale, CA 94086

All advertising claims will be paid by a credit memo issued to the retailer or distributor. *Unauthorized deduction of advertising claims from ATARI Home Computer merchandise invoices is forbidden.* Such deductions may be a violation of the FTC and/or Robinson-Patman Acts. *In addition, unauthorized deductions or other serious abuse of the co-op program may result in termination of participation in the program.*

RETAILER COOPERATIVE GROUPS

A retailer may enter into a cooperative agreement with its distributor in which the distributor agrees to advertise ATARI Home Computer products on behalf of the retailer.

All reimbursements to distributors will be charged at a pro rata basis to the ATARI Home Computer Advertising Accounts of each retailer represented by the distributor.

To qualify for reimbursement, the distributor-sponsored advertising must be directed to the consumer and mention the names of retailers involved; no advertising directed to the retail trade will be acceptable.

Distributor media and claim requirements will be the same as for retailers. In addition to retailer requirements, distributor claims must also include a list of names and addresses of retailers involved in the cooperative agreement.

Distributors must submit claims to Atari.

RESTRICTIONS

All advertising must be truthful and in good taste. Atari will not reimburse for any advertising that is in any way fraudulent, deceptive, misleading or disputable.

Atari does not review advertising prior to publication, and therefore is not responsible for the contents of any advertising of ATARI Home Computer products by its retailers or distributors.

Atari is under no obligation to verify the truth of any advertising before reimbursement if the claim appears to be valid.

Atari reserves the right to conduct audits at any time for the purpose of verifying claims.

Atari reserves the right to terminate or amend any part of this program at any time, without affecting the status of any advertising expenditures made prior to such termination or amendment.

COMPETITIVE ADVERTISING POLICY

In any omnibus advertisement, which means a single advertisement offering products for sale in addition to ATARI Home Computer products, Atari will only provide cooperative advertising reimbursement based on the actual portion of the space or time devoted exclusively to ATARI Home Computer product(s). Any omnibus advertisement which contains or mentions products competitive with ATARI Computer products must clearly differentiate, in any reasonable manner, the ATARI Computer product(s) from any such competitive product(s). For example, in a print advertisement this differentiation must be accompanied by using a clearly delineated border contrasting with the background or by using sufficient space between product displays so as to eliminate or at least minimize any confusion on behalf of a consumer as to the identity of the manufacturer of such product(s). Advertising that is in any way confusing in the sole judgment of Atari, will not be eligible for reimbursement. Atari reserves the right of final judgment on any claim submitted for co-op reimbursement.

This policy pertains equally to all products competitive with ATARI Home Computer product(s).

Details of the ATARI Home Computer Co-op Advertising Program Agreement are stated in the Articles which follow.

COOPERATIVE ADVERTISING AGREEMENT FOR RETAILERS

EFFECTIVE JAN. 1, 1982

This agreement replaces and supersedes all prior ATARI Home Computer Cooperative Advertising agreements. Offers are made on proportionally equal terms to all retailers competing for sales customers in the United States and its possessions.

ARTICLE I: PURPOSE

Atari, Inc. ("Atari") offers a cooperative advertising program which provides for limited reimbursement to retailers who advertise ATARI Home Computer products in the United States and its possessions under the terms of this agreement, in order to increase the sales of selected ATARI Home Computer products to consumers during a specified time period as established by Atari.

ARTICLE II: BASIC OFFER

A. Atari hereby offers retailers the following options: (1) Atari will establish an ATARI Home Computer Exclusive Advertising Account for each retailer who purchases applicable ATARI Computer products directly from Atari during specific buy-in periods; or (2) Atari will establish an ATARI Home Computer Joint Advertising Account for each retailer who purchases applicable ATARI Computer products from an ATARI Computer distributor during specific buy-in periods and who enters into a cooperative arrangement with that distributor pursuant to Article III of this Agreement (or a retailer may select a combination of the foregoing options). The Exclusive Advertising Account will accrue funds equal to 5% of the actual net cost to the retailer of ATARI Home Computer products shipped to the retailer during the buy-in period. The Joint Advertising Account will accrue funds equal to 4% of the actual net cost to the applicable distributor of ATARI Home Computer products shipped to that distributor during the buy-in period. NOTE: Each retailer may elect to purchase ATARI Computer products directly or through distributors or both in order to participate in either or both of these cooperative advertising account programs.

B. As used herein, the term "actual net cost of Atari Computer merchandise" shall mean the gross selling price to the direct purchaser from Atari reduced by any discounts, rebates, allowances (except for any advertising allowance paid by Atari under this agreement), transportation, installation and handling charges, taxes, cancellations, returns, service charges, payment terms, interest and finance charges.

C. Atari will reimburse for all actual advertising costs incurred in advertising ATARI Home Computer products during the advertising performance according to the terms of this agreement in an amount up to but under no circumstances to exceed the balance contained in a retailer's ATARI Home Computer Exclusive or Joint (as applicable) Advertising Account at the time a valid and complete claim (pursuant to the terms of this agreement) is received by Atari.

D. All claims must be received by Atari no later than 11:59 p.m. of the claim cutoff date for the program in force. Any claims received after this date will not be processed or paid. Atari will pay each claim which qualifies for reimbursement under this agreement by means of a credit memo issued to the retailer or distributor.

E. All unused funds in each ATARI Home Computer Advertising Account created under this agreement will be automatically cancelled on the day following the date set forth in Article II, paragraph D, above. Any and all claims received on or after this cancellation date shall be invalid.

ARTICLE III: COOPERATIVE ARRANGEMENTS

A. A retailer may enter into a cooperative agreement with its distributor or wholesaler (hereinafter referred to as distributor) whereby the distributor agrees to advertise ATARI Home Computer products on behalf of the retailer. A distributor advertising for a cooperative retailer group or acting as the collecting agent for one or more retailers who have paid the cost of advertising is eligible for reimbursement under the terms of this agreement from the ATARI Home Computer Joint Advertising Accounts of the retailers who the distributor represents.

B. Upon receipt of a timely and complete claim for reimbursement, pursuant to Article V of this agreement submitted by a distributor who has sponsored and paid for a cooperative retailer group's advertising of ATARI Home Computer products, or who is acting solely as a collecting agent for retailers pursuant to this Article, Atari will reimburse said distributor an amount equal to the lesser of (1) the actual net cost, as defined herein, of that portion of such advertising as qualifies for reimbursement under this agreement or (2) the sum of the remaining amounts which have accrued and are unused in the ATARI Home Computer Joint Advertising Accounts of those retailers who the distributor certifies as being parties to a cooperative advertising agreement with said distributor.

C. Atari will reimburse only those distributors who have personally expended the claimed amount on advertising of ATARI Home Computer products or those distributors who have prior written authorization to act as the collecting agent for retailers who have personally expended the claimed amount on advertising of ATARI Home Computer products.

D. All reimbursements paid under this agreement by Atari to distributors for cooperative advertising expenditures will be charged on a pro rata basis to the ATARI Home Computer Joint Advertising Accounts of each retailer who is certified by the distributor as being a party to a cooperative advertising agreement with said distributor. The amounts thus charged to said retailer's Advertising Accounts will be unavailable as funds for reimbursement of any subsequent claim, regardless of (1) whether such claim is submitted by a distributor or the retailer in whose name the account was created, (2) whether the advertising which comprises the basis for the subsequent claim preceded or followed the cooperative advertising for which reimbursement has already been made, or (3) whether a given retailer who was certified as being a party to a cooperative advertising agreement by the distributor to whom reimbursement was made was in fact a party to such agreement.

E. To qualify for reimbursement by Atari, the distributor-sponsored advertising must be such as is reasonably certain to be received by those consumers who are parties to the cooperative advertising agreement, and it must mention the names of said retailers.

F. Claims submitted by distributors pursuant to this Article must fully comply with the claim procedures and requirements set forth in Article V of this agreement. Such claims must also include a complete and current list, signed and dated by the distributor, certifying the names and addresses of all retailers who are parties to the cooperative advertising agreement.

ARTICLE IV: ADVERTISING REQUIREMENTS

A. GENERAL

1. All advertising must prominently include the ATARI name, logo, the name(s) and illustration(s) of the selected ATARI Home Computer products being advertised, all pertinent ATARI trademarks (including the ® or ™ symbol), and the name(s) of the retailer(s) where the consumer may purchase said ATARI Home Computer products. Any advertising which incorporates copyrighted material belonging to Atari, must include a valid copyright notice, e.g. ©ATARI 1982.

2. In the case of advertising which is not devoted exclusively to ATARI Home Computer products, Atari will only reimburse the cost of that portion of such advertising which is devoted to ATARI Home Computer products and which otherwise meets the terms and conditions of this agreement. Any omnibus advertisement which contains or mentions products competitive with Atari's must clearly differentiate in any reasonable manner the ATARI Home Computer product(s) from any such competitive product(s) so as to eliminate or at least minimize any confusion on behalf of a consumer as to the identity of the manufacturer of such product(s). Advertising that is in any way confusing, in the sole judgment of Atari, will not be eligible for reimbursement. Atari reserves the right on final judgment of any claim submitted for co-op reimbursement.

3. The advertising costs which qualify for reimbursement by Atari under this agreement shall be limited to the actual net cost of the advertising. As used herein, the actual net cost of the advertising means the amount actually paid to the media utilized less all discounts, rebates, taxes, cancellations or retraction fees, and interest or finance charges.

4. All pertinent rates, circulation, distribution and other data concerning the advertising is subject to verification through independent audit by Atari.

5. The cost of promotional activity which does not meet the terms and conditions set forth in this agreement will not be reimbursed by Atari.

B. SPECIFIC MEDIA REQUIREMENTS

In addition to the general requirements set forth in Article IV, paragraph A, above, advertisers must utilize a local, regional, or national newspaper, magazine, consumer circular, radio station or television station, and must fully comply with the following requirements:

1. Newspapers and Magazine Advertising

a. All newspaper or magazine advertisements must be placed in newspapers or magazine publications of general paid circulation in the geographic area served by the advertising retailer(s).

b. Each advertisement must be at least three (3) column inches in size. If the advertisement for Atari is part of an omnibus ad, the space devoted to each applicable ATARI Home Computer product must be at least as large as the largest space in the ad devoted to any competitive products.

c. Under no circumstances will Atari's reimbursement for newspaper or magazine advertising exceed the actual net cost.

2. Consumer Circular and Catalog Advertising

a. Atari supplied line art or a quality facsimile is required.

b. Under no circumstances will Atari's reimbursement for Consumer Circular or Catalog Advertising exceed the actual net cost of the Atari portion as determined by complete print and distribution documentation.

3. Radio and Television Advertising

a. All radio and television advertising must be on commercial broadcasting (AM or FM) or telecasting stations which have published time rates and which are licensed as such by the Federal Communications Commission.

b. The ATARI name must be mentioned at least as many times as the name of the retailer.

4. Non-Media Advertising

a. All advertising and promotion which does not fit in the above categories must be authorized by the ATARI Home Computer Cooperative Advertising Department prior to implementation.

b. All proposals must conform with the regulations of the Federal Trade Commission.

ARTICLE V: CLAIM PROCEDURE AND REQUIREMENTS

A. GENERAL

1. All claims for advertising cost reimbursement under this agreement must be received by:

Atari, Inc.
Home Computer Division
Co-op Advertising Dept.
P.O. Box 427
Sunnyvale, CA 94086

and must include the following:

a. All required proof of performance documentation as detailed below for each advertising medium and
b. Copies of all invoices necessary to prove the actual net cost of the advertising.

2. Retailers and distributors must not deduct advertising claims under this agreement from subsequent ATARI Home Computer merchandise invoices. "Persons" that make unauthorized deductions from purchase invoices for alleged advertising or other promotional allowances may be proceeded against under Section 5 of the FTC Act and/or, under some circumstances, Section 2(f) of the amended Clayton Act" (16 C.F.R. 240:14).

3. All claims must be received by Atari at the above address no later than the cutoff date stated on the program offer to qualify for reimbursement.

4. Atari reserves the right to conduct audits at any time for the purpose of verifying claims.

5. All claims submitted by distributors who are acting as the collecting agent for retailers pursuant to Article III must submit either an original or certified copy of each applicable retailer's written authorization to that distributor to act as its collecting agent pursuant to this Agreement.

B. SPECIFIC CLAIM REQUIREMENTS DEPENDENT ON MEDIA USED

(In addition to the requirements in Article V, paragraph A, above.)

1. Newspaper and Magazine Advertising Claims

a. Each and every newspaper and/or magazine advertising claim for reimbursement must include a complete tear sheet indicating the name of the publication and the date(s) of the advertising, and all pertinent invoices and other documents necessary to show the actual net cost of the advertising.

b. If identical advertisements are run in several newspapers and/or magazines, one complete tear sheet is acceptable if accompanied by a list of all publications in which the advertisement was run, a letter certifying that the identical ad ran in each publication listed (ads listed should be grouped by various ad sizes where applicable), and all pertinent invoices and other documents necessary to show the actual net cost of advertising in each publication.

2. Consumer Circular and Catalog Advertising Claims

Each and every consumer circular and catalog advertising claim for reimbursement must include a complete copy of the circular and catalog, copies of all printers' invoices and other documents necessary to show the actual net cost of the advertising, copies of U.S. postal receipts or other proof of the required distribution. Catalogs require certification of the number printed.

3. Radio and Television Advertising Claims

Each and every radio and/or television advertising claim for reimbursement must include all scripts on the ANA/RAB or TVB format, complete continuity proofs, all invoices necessary to show the actual net cost of the advertising, and an affidavit from the station manager which confirms the number of ATARI Home Computer commercials run, the time at which each commercial was run, and that the rates charged are the lowest rates available less all rebates and discounts.

4. Non-Media Advertising

a. A proposal must be submitted in writing to the ATARI Home Computer Division Sales Promotion Manager.

b. Approval in writing must be received from the ATARI Home Computer Division Sales Promotion Manager.

c. Invoices showing net costs to the retailer must be submitted with each claim.

ARTICLE VI: DISCLAIMERS AND LIMITATIONS

A. Each and every claim submitted to Atari for reimbursement under this agreement is an express representation by the claimant to Atari that all facts contained in said claim are true and said claimant is itself entitled to the requested reimbursement. Atari is under no obligation to verify the truth of any representation before reimbursement if the claim appears valid on its face.

B. Atari's sole and exclusive obligation under this agreement is to reimburse a claimant who submits a timely and complete claim for advertising expenditures, which expenditures qualify for reimbursement under this agreement, in an amount up to but not to exceed the unused portion of the claimant's ATARI Home Computer Advertising Account if the claimant is a retailer or if the claimant is a distributor claiming pursuant to Article III of this agreement, the sum of the unused portions of the ATARI Home Computer Advertising Accounts of the retailers certified by the distributor as being members of its cooperative advertising group. Atari shall not be obligated to pay a claimant any amount in excess of this Advertising Account limit due to the submission by and prior payments to other claimants of claims which turn out to be improper because of inadvertence or unlawful activity (including fraud) by said other claimant(s).

C. Atari does not review prior to publication and therefore is not responsible for the contents of any advertising for Atari under this agreement.

D. Atari's only obligations to any consumer of ATARI Home Computer products, no matter from whom or at what price said consumer purchased those products, are those obligations set forth in the ATARI Home Computer Owner's Manual and Limited 90 Day Warranty. No distributor, wholesaler, agent, representative or retailer of ATARI Home Computer products is authorized to alter, amend, add to, subtract from, expand or in any way change the terms of these obligations and any representation to such effect by any of said persons is not binding on Atari.

E. Atari is under no obligation to reimburse anyone for any advertisement which contains such representations as described in Article VI, paragraph D, above, or which advertising is in any way fraudulent, deceptive, misleading or disputable. However, reimbursement by Atari of such advertising is not a ratification, adoption, acquiescence or approval of such advertising, and does not alter the rights and obligations of Atari.

F. Atari reserves the right to terminate or amend any part of this program at any time. Such termination or amendment, or the expiration of this program will not affect the status of any advertising expenditures made prior to such termination, amendment or expiration.



A Warner Communications Company

© 1982 ATARI, INC.